**Annex 2**

**Investment Measures**

**(May 2015-February 2016)**

The following list of investment measures implemented in selected APEC economies from May-October 2015 is adapted from the joint OECD-UNCTAD 14th Report on G-20 Investment Measures (30 October 2015).

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| **Type** | **Description** | **Date** | **Source** |
| **China** |
| Investment policy measures related to FDI |

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| Effective 1 June 2015, P.R. China allowed foreign companies to set up bank card clearing companies and provide bank card clearing services in China. Where clearing services concern Chinese domestic bank card transactions, a business license and a registered capital of over RMB 1 billion are required. |
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 | 1 June 2015  |

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| Investment policy measures related to FDI | On 19 June 2015, the Ministry of Industry and Information Technology relaxed foreign ownership restrictions in the ecommerce sector; henceforth, 100% foreign ownership is allowed in this sector. The liberalisation followed the issuing of the State Council Opinions on Vigorous Development of E-Commerce to Accelerate the Cultivation of a New Driving Force in the Economy on 4 May 2015. | 19 June 2015 | “Circular of the Ministry of Industry and Information Technology on Liberalizing the Restrictions on Foreign Shareholding Percentages in Online Data Processing and Transaction Processing Business (For Profit E-Commerce Business)”, 2015] Circular No. 196. |
| Investment policy measures related to FDI | On 19 August 2015, China relaxed restrictions on foreign investment in the real estate market. In particular, restrictions on the ratio of registered capital to total investment by foreign real estate enterprises were eliminated. In addition, restrictions that prohibit foreign real estate investment enterprises from access to bank lending in and outside China and to foreign exchange settlement were also relaxed. | 19 Aug 2015 | Press Conference, Ministry of Commerce, 16 September 2015; "Circular of the Ministry of Housing and Urban-Rural Development regarding the adjustment of the access and  |
| **Type** | **Description** | **Date** | **Source** |
| China |
|  |  |  | administration of foreign investment in real estate", [2015] No. 122. |
| Investment policy measures related to national security | On 1 July 2015, the National Security Law came into effect. As a framework law, it lays down the general principles and obligations of the State in maintaining security in the country. Article 59 of the Law allows the State to establish, inter alia, a national security review and oversight mechanism to conduct a national security review of foreign commercial investment, special items and technologies, internet services and other major projects and activities which might impact national security. The framework for such reviews based on national security considerations had first been established in 2011. | 1 July 2015 |  |

**Other Investment Measures**

The following list of investment measures implemented in selected APEC economies from 1 October 2015-29 February 2016 is adapted from the UNCTAD Investment Policy Monitor (March 2016).

**Type Description Date**

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| **Type** | **Description** | **Date** | **Source** |
| **Australia** |
| Investment policy measures related to FDI | Australia’s revised foreign investment regime came into force on 1 December 2015, following the passage of the Government’s “Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015”. According to the Government, it provides a stronger enforcement and a better-resourced system with clearer rules for foreign investors. The major changes are: (1) The Australian Taxation Office (ATO) receives greater compliance powers in real estate purchases and new penalties are introduced for those breaking the rules. (2) Introduction of fees for foreign investment applications. (3) Establishment of an agricultural land foreign ownership registration. (4) Reduction of the screening threshold for proposed foreign purchases of agricultural land by private investors to $15 million.  | 1 Dec 2015 | Media Release, The Treasury of Australia, 1 December 2015 |
| **Type** | **Description** | **Date** | **Source** |
| **China** |
| Investment policy measures related to FDI | On 28 October 2015, the Chinese Ministry of Commerce issued Order No. 2 of 2015 on Revising Certain Regulations and Regulated Documents. The Order modified 29 circulars related to foreign investments with the aim of simplifying the capital registration system for companies in China. The main areas of reform are the following; (1) Minimum registered capital requirements on foreign investment in certain industries and for companies limited by shares have been abolished. (2) Certain rules governing foreign invested holding companies have been changed. (3) Capital verification reports issued by Chinese certified public accountants will generally no longer be required. (4) In some cases, a mere filing certificate replaces the traditional Foreign Investment Approval Certificate. (5) The “foreign-invested enterprise joint annual inspection” is confirmed as abolished. | 28 Oct 2015 | Policies Announcement, Ministry of Commerce, 5 November 2015 |
| **Indonesia** |
| Investment policy measures related to FDI | On 26 October 2015, Indonesia introduced a 3-hour licensing process for certain categories of investors planning to open businesses. This service will allow prospective investors to have their preliminary permits, including a permit for land use processed at BKPM (Indonesia Investment Coordinating Board)’s one-stop integrated service within three hours. After obtaining these permits, investors whose projects are located within industrial estates designated by the BKPM could start project construction immediately, even before the issuance of a construction permit from the local government. To be able to enjoy the quick licensing program, investors must invest at least Rp 100 billion and employ at least 1,000 workers. | 26 Oct 2015 | Website from the Investment Coordinating Board (BKPM), 16 October 2015 |
| Investment policy measures related to FDI |

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| The President of Indonesia signed a new government regulation (No. 103/2015 on House Ownership of Foreigners Residing in Indonesia) on 22 December 2015. It allows foreigners to own houses in Indonesia for up to 80 years. Effective from 28 December 2015, the regulation states that foreigners can buy a house under the right-of-use category initially for up to 30 years. After this period, the ownership may be extended twice, once by 20 years and then by a further 30 years. Under previous rules, foreigners could buy houses for 25 years, and extend for a further 25 years. Foreigners eligible to own houses in Indonesia are still required to live or work in Indonesia or in other ways bring advantage to the country.  |

 | 22 Dec 2015 | Website from Secretary Cabinet, 12 January 2016 |
| **Type** | **Description** | **Date** | **Source** |
| **Indonesia** |
| Investment policy measures related to FDI | On 11 February 2016, Indonesia introduced a comprehensive liberalisation plan for foreign investment in various sectors. The government will allow foreign investors to hold 100 per cent stakes in 35 business lines, including tourism, film and cold storage by removing those business lines from the “negative investment list”. Also, the maximum foreign-investment limit in golf courses, health support services and airport support will be raised to 67 per cent. However the government will add 19 business lines, including low-tech construction and coral reef harvesting for construction materials, to the list of industries with foreign investment restrictions. | 11 Feb 2016 | Reuters, “Indonesia unveils ‘big bang’ for foreign investment, boldest move in 10 years”, 11 February 2016 |
| **Japan** |
| Investment policy measures related to FDI | The Japanese government succeeded with the initial public offering (IPO) of ‘Japan Post’ on 4 November 2015. Three Japan Post units - Japan Post Bank, Japan Post Insurance and the parent Holdings company - listed 11 per cent of their shares in each of the firms on the Tokyo Stock Exchange. | 4 Nov 2015 | Reuters, “Japan Post firms make bumper debut after $12 bln triple IPO”, 4 November 2015 |
| **Korea** |
| Investment policy measures related to general business climate  | On 12 November 2015, the National Assembly passed a bill to amend the Commercial Code, permitting certain M&A structures that were previously not allowed in Korea. The amendments additionally permit (1) the use of the reverse triangular merger, and (2) the use of the triangular merger for the acquisition of a spun-off business, in addition to the existing triangular merger. The amendments also include other measures intended to facilitate corporate restructuring and investment activities. The new code will become effective in March 2016. | 12 Nov 2015 | The Korea Herald, “Restructuring boon for M&A market”, 31 December 2015 |
| **Russia** |
| Investment policy measures related to FDI |

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| On 14 October 2014, the President of Russia signed the law which prohibits ownership or control over 20 per cent in the share capital of media companies by the following persons: foreign States, international organisations, Russian nationals who have a nationality of another State, foreign natural and legal persons, as well as Russian legal persons that are more than 20 per cent foreign-owned. Exceptions to this rule can only be set out by an international treaty to which Russia is a party. The law has entered into force on 1 January 2016. |

 | 1 Jan 2016  |

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| Federal Law No 305- FZ, 14 October 2014 |

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| **Type** | **Description** | **Date** | **Source** |
| **United States of America** |
| Investment policy measures related to FDI | On 18 December 2015, President Barack Obama signed a law easing tax on foreign investment in U.S. real estate and abolished the provision, known as 1980 Foreign Investment in Real Property Tax Act (FIRPTA). Foreign pension funds are treated as their U.S. counterparts for real estate investment under the new law. In addition, it allows foreign pension funds to acquire as much as 10 per cent of a U.S. publicly traded real estate investment trust - up from 5 per cent previously. | 18 Dec 2015 | Bloomberg, “U.S. Eases 35-Year-Old Real Estate Tax on Foreign Investors”, 18 December 2015 |
| Investment policy measures related to FDI | On 16 January 2016, the United States Department of the Treasury’s Office of Foreign Assets Control (OFAC) issued several documents, formally lifted nuclear-related sanctions, including banking, steel, shipping and other sanctions on Iran, under the implementation of the JCPOA (Joint Comprehensive Plan of Action). As a result, non-U.S. individuals or entities are no longer subject to sanctions for investing in Iran’s oil, gas, or petrochemical sectors (including through participation in joint ventures), provided that transactions do not involve persons on the Specially Designated Nationals list or certain conduct. | 16 Jan 2016 | Website from U.S. Department of the Treasury, 16 January 2016 |
| **Viet Nam** |
| Investment policy measures related to FDI | The government recently passed a new decree (No. 102/2015/ND-CP), which has come into effect on 12 December 2015. According to this decree, private investors will be allowed to purchase rights to manage Vietnamese airports and provide some ground services such as fuel supply, flight information, and airfield operation. Only Vietnamese businesses are eligible, but foreign investors can join them, with the maximum stake capped at 30 per cent. Meanwhile, the government will hold at least a 65 per cent stake in service providing companies that it deems important or strategic. Air traffic control, research and rescue services will be strictly off-limits to private and foreign investors. | 26 Oct 2015 | The Voice of Vietnam, “Government issues decree on airport management”, 28 October 2015 |
| Investment policy measures related to FDI | On 12 November 2015, the government issued Decree No 118/2015/ND-CP providing guidelines for the Investment Law 2014. According to this decree, which is effective from 27 November 2015, foreign investors who buy shares in or contribute capital to economic organisations are not subject to investment registration procedures. However, foreign investors still need to register with the planning and investment departments in localities where the economic organisations are headquartered, in the following cases: 1) The economic institutions engage in business areas where certain conditions for foreign investment stipulated by the authorities exist. 2) The stake acquisition or capital contribution increases the share of foreign investors in the economic institutions from below 51 per cent to 51 per cent or more; or from 51 per cent to higher levels. | 12 Nov 2015 | Viet Nam News, “Decree eases foreign investment red tape”, 25 November 2015 |
| **Type** | **Description** | **Date** | **Source** |
| **Viet Nam** |
| Investment policy measures related to FDI | On 25 January 2016, the government issued Decree 07/2016/ND-CP, guiding the implementation of the Commercial Law 2005 on the establishment of Viet Nam-based foreign representative offices and branches. Under the new decree, foreign traders are allowed to establish their representative offices and branches in accordance with Viet Nam’s commitments to international treaties. A foreign trader is prohibited from forming more than one foreign representative office and branch with a similar name in a province or a city. The old decree (Decree No. 72/2006/ND-CP) dated 25 July 2006 shall expire as of 10 March 2016 and be replaced by the new decree. | 25 Jan 2016 | Online Newspaper of the Viet Nam Government, 1 February 2016 |